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VENEMAN ANNOUNCES \$44 MILLION IN GRANTS FOR RENEWABLE ENERGY INITIATIVES

\$23 Million Targeted for Farmers, Ranchers and Small Business to Improve Energy Efficiencies and \$21 Million Provided for the Biomass Research and Development Initiative

WASHINGTON, April 7, 2003—Agriculture Secretary Ann M. Veneman today announced the availability of approximately \$44 million in grants that will support President Bush's energy plan to develop renewable energy and expand the economic prospects and environmental promise of biomass.

"These programs support the President's goal to enhance renewable energy supplies," said Veneman. "Developing alternative energy sources that reduce pollution and increase energy security is an important part of the Administration's overall energy policy."

Both programs were authorized by the 2002 Farm Bill and will be conducted in collaboration with the Department of Energy.

Veneman said that \$23 million is available from USDA's Rural Development for the Renewable Energy Systems and Energy Efficiency Improvements programs to assist farmers, ranchers, and rural small businesses develop renewable energy systems and make energy efficiency improvements to their operations.

"This is a time of enormous transformation in American agriculture," said Agriculture Under Secretary for Rural Development Thomas Dorr. "We need to be bold in recognizing – and capitalizing on – new opportunities. Energy is unquestionably one of those areas that presents tremendous opportunities for economic gains and ultimately an improved quality of life."

"The Department of Energy is proud of our partnership with USDA to invest in rural America," said Assistant Secretary of Energy David K. Garman. "Whether for renewable energy systems or energy efficiency improvements, this investment will pay dividends to the whole of our country. Rural America can help to fulfill the promise of the President's National Energy Plan in expanding the nation's overall supply of clean and affordable energy for a new century of economic growth."

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Applicants for the Renewable Energy Systems and Energy Efficiency Improvements program must be agricultural producers or rural small businesses, U.S. citizens or legal residents, and have demonstrated financial need. Rural Development grant funds may be used to pay up to 25 percent of the eligible project costs. Eligible projects include those that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources. Awards will be made on a competitive basis for the purchase of renewable energy systems and to make energy improvements.

Detailed information about program requirements and information on how to apply will be available in the April 8, 2003 Federal Register. Additional information on the grant program and other USDA Rural Development programs can be obtained by visiting: <http://www.rurdev.usda.gov/>.

Through the Biomass Research and Development Initiative, \$21 million in grants are available to eligible entities to carry out research, development and demonstrations on biobased products, bioenergy, biofuels, biopower and related processes.

The USDA Natural Resources Conservation Service, on behalf of USDA and DOE, is requesting proposals for biomass research, development and demonstration projects. The solicitation package (USDA-GRANTS-031803-001) is posted on the federal funding opportunities website at <http://www.Fedgrants.gov> and in more detail at <http://www.nrcs.usda.gov> and <http://www.bioproducts-bioenergy.gov/>.

Proposals for this joint solicitation must be submitted by May 16, 2003, to USDA-NRCS, Management Services Division, P.O. Box 2890, Washington, DC 20013-2890, Attn: Sheila Leonard.

Eligible applicants include private sector entities, institutions of higher education, nonprofit organizations, national laboratories, federal and state research agencies and consortiums of two or more of these entities. Grants will be awarded competitively based on technical merit and program priorities identified in the solicitation package.

For this solicitation, a minimum non-federal share of 20 percent of the total project cost is required. The federal share of each grant is expected to range from \$250,000 to \$2 million, with the work proposed to be completed within a three-year timeframe. USDA intends to make up to \$16 million available and DOE intends to make up to \$5 million available to fund proposals of merit under this solicitation.

Biomass is defined as organic nonfossil material of biological origin constituting a renewable energy source.

Information about additional energy grants provided for by the Farm Bill and about USDA's energy policy can be found at <http://www.usda.gov/farmbill> and <http://www.usda.gov/energy/> respectively.

